May 14, 2012

S.E. Monsieur Ilyas Moussa Dawaleh
Ministre de l’Economie et des Finances
Chargé de l’Industrie et de la Planification
Ministère de l’Economie et des Finances
Chargé de l’Industrie et de la Planification,
République de Djibouti
(Transmission par télécopie : 253.21.35.65.01)

Re: Djibouti: Power Access and Diversification Project
(Credit 4120-DJI; Grant H574-DJ)

Amendment to the Development Credit Agreement and the Grant Financing Agreement

Excellency,

We refer to the: (i) Development Credit Agreement between the Republic of Djibouti (the Borrower) and the International Development Association (the Association) dated November 28, 2005 (the Credit Agreement), as amended and (ii) the Financing Agreement between the Borrower and the Association dated July 27, 2010 (the Grant Agreement), for the above-referenced Project (collectively referred to as “Legal Agreements”).

We also refer to your request on behalf of the Borrower contained in the Borrower’s letter dated February 2, 2012, to amend the Legal Agreements.

I am pleased to inform you that, after careful consideration, we have acceded to the aforementioned request and propose to amend the Legal Agreements as follows:

I. The Credit Agreement shall be amended as follows:

1. Section 2.03 is modified to read as follows (modifications are shown in italics):

“The Closing Date shall be March 31, 2014, or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.”

2. The Table set forth in Section 1 of Schedule 1 (Withdrawal of the Proceeds of the Credit) is amended as set forth in the attachment hereto (Attachment).

3. In Schedule 2, Part C is amended to read as follows (modifications are shown in italics):

“Part C: Technical Assistance and Efficiency Improvement”
Provision of technical assistance to further the efficiency and improve the performance of EDD, through:

(i) The carrying out of an Electricity Loss Reduction Study to identify the losses of EdD and efficiency opportunities, and preparation of an implementation action
plan for the findings of the study to improve EDD’s financial and technical situation;

(ii) The carrying out of a water and sanitation client management study to assess the status of, and recommend improvements to ONEAD client management; and

(iii) Acquisition of consultants’ services for Project’s engineering, procurement and supervision activities, including monitoring and implementation of the Environmental Management Plan and the Project’s audit.

(iv) Preparation of an environmental and social impact assessment for a proposed geothermal exploratory drilling operation.

II. Section IV.B.2 of Schedule 2 of the Grant Agreement shall be amended as follows (modifications are shown in italics):

“2. The Closing Date is March 31, 2014.”

All the other terms and conditions of the Legal Agreements, as amended hereby, shall remain in full force and effect.

Please confirm your agreement on behalf of the Republic of Djibouti to the above amendment by signing, dating and returning to us one of the original copies of this Amendment Letter.

The amendment will become effective as of the date of your countersignature.

Sincerely yours,

[Signature]

A. David Craig
Director
Djibouti, Egypt and Yemen Country Department
Middle East and Northern Africa Region

CONFIRMED AND AGREED
REPUBLIC OF DJIBOUTI

By: ILYAS MOUSSA DAWALEH

Title: MINISTRE DE L’ÉCONOMIE ET DES FINANCES CHARGÉ DE L’INDUSTRIE ET DE LA PLANIFICATION

Date: 07 JUIN 2012
### SCHEDULE 1

**Withdrawal of the Proceeds of the Credit**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works under Part A</td>
<td>757,033.29</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>2,840,810.27</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants' Services, Audit and Capacity Building</td>
<td>800,889.00</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Operating Costs</td>
<td>144,276.80</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refunding of Project Preparation Advance</td>
<td>156,990.64</td>
<td>Amount due pursuant to Section 2.02 (c) of this Agreement</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL** 4,700,000